

Look at the situation of the citizenry. They are standing forward, they are in power, they are getting police forces in each town, they are getting a militia going. Look at the infrastructure of freedom that is emerging: 150 newspapers, health care benefits, electricity and water. All of this is happening. It is not the time to retreat and pull the rug out from under the people of Iraq or our military. Let us pass the supplemental.

#### 9-11 HAD NOTHING TO DO WITH ATTACK ON IRAQ

(Ms. EDDIE BERNICE JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, it really is time for us to admit the truth. Mr. Speaker, 9-11, 2001 had nothing to do with the unilateral first strike on Iraq. We think that when we mention the word "terrorist" that it is a buzzword and we all are supposed to understand that that is the reason why the attack came to Iraq. That is not true. It never has been true. It is not true now.

Each time we talk about the cost of this war, we mention 9-11. It has nothing to do with that. It has more to do with trying to take over a country because you disagree with the leader, just like somebody could take this one over because they disagree with our leader, and boss it, steal their oil, or whatever. But we need to tell the truth about it. It is not the truth that it has anything to do with 9-11.

Mr. Speaker, we are taking our public to be stupid when we continue to say that 9-11 is connected with the Iraq attack. If that had to do with it, we would have the support of the U.N. We do not, because we made unilateral, first strikes without a reason, because we were not under immediate danger.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHAW). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

#### AMERICAN DREAM DOWNPAYMENT ACT

Mr. NEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1276) to provide downpayment assistance under the HOME Investment Partnerships Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1276

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "American Dream Downpayment Act".

#### SEC. 2. DOWNPAYMENT ASSISTANCE INITIATIVE UNDER HOME PROGRAM.

(a) DOWNPAYMENT ASSISTANCE INITIATIVE.—Subtitle E of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12821) is amended to read as follows:

##### "Subtitle E—Other Assistance

#### "SEC. 271. DOWNPAYMENT ASSISTANCE INITIATIVE.

"(a) GRANT AUTHORITY.—The Secretary may make grants to participating jurisdictions to assist low-income families to achieve homeownership, in accordance with this section.

"(b) ELIGIBLE ACTIVITIES.—

"(1) IN GENERAL.—Amounts made available under this section may be used only for downpayment assistance toward the purchase of single family housing by eligible families. For purposes of this title, the term 'downpayment assistance' means assistance to help a family acquire a principal residence.

"(2) ELIGIBLE FAMILIES.—For purposes of this section, the term 'eligible family' means a family who—

"(A) is a low-income family and a first-time homebuyer; or

"(B) notwithstanding the income limitation under section 215(b)(2)—

"(i) includes a uniformed employee (which shall include policemen, firemen, and sanitation and other maintenance workers) or a teacher who is an employee, of the participating jurisdiction (or an agency or school district serving such jurisdiction) that is providing the downpayment assistance under this section for the family; and

"(ii) has an income, at the time referred to in subparagraph (A), (B), or (C) of section 215(b)(2), as appropriate, and as determined by the Secretary with adjustments for smaller and larger families, that does not exceed 115 percent of the median income of the area, except that, with respect only to such areas that the Secretary determines have high housing costs, taking into consideration median house prices and median family incomes for the area, such income limitation shall be 150 percent of the median income of the area, as determined by the Secretary with adjustments for smaller and larger families.

"(c) HOUSING STRATEGY.—To be eligible to receive a grant under this section for a fiscal year, a participating jurisdiction shall include in its comprehensive housing affordability strategy under section 105 for such year—

"(1) a description of the use of the grant amounts;

"(2) a plan for conducting targeted outreach to residents and tenants of public housing, trailer parks, and manufactured housing, and to other families assisted by public housing agencies, for the purpose of ensuring that grant amounts provided under this section to a participating jurisdiction are used for downpayment assistance for such residents, tenants, and families; and

"(3) a description of the actions to be taken to ensure the suitability of families provided downpayment assistance under this section to undertake and maintain homeownership.

"(d) FORMULA ALLOCATION.—For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this section for the fiscal year in accordance with a formula, which shall be established by the Secretary, that considers a participating jurisdiction's need for and prior commitment to assistance to homebuyers. The formula may include minimum allocation amounts. In considering a participating jurisdiction's

prior year's commitment to assistance to homebuyers, the formula shall consider amounts committed to such purpose under the HOME investment partnerships program, the community development block grant program, mortgage revenue bonds, and prior year's funding from State and local governments, provided that the data underlying such funding is uniform, verifiable, and accurate by the State and local government, and shall consider other factors that the Secretary determines to be appropriate.

"(e) REALLOCATION.—If any amounts allocated to a participating jurisdiction under this section become available for reallocation, the amounts shall be reallocated to other participating jurisdictions in accordance with the formula established pursuant to subsection (d), except that if a local participating jurisdiction failed to receive amounts allocated under this section and is located in a State that is a participating jurisdiction, the funds shall be reallocated to the State.

"(f) APPLICABILITY OF OTHER PROVISIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this section, grants under this section shall not be subject to the provisions of this title.

"(2) APPLICABLE PROVISIONS.—In addition to the requirements of this section, grants under this section shall be subject to the provisions of title I, sections 215(b) (except as provided in subsection (b)(2)(B) of this section), 218, 219, 221, 223, 224, and 226(a) of subtitle A of this title, and subtitle F of this title.

"(3) REFERENCES.—In applying the requirements of subtitle A referred to in paragraph (2)—

"(A) any references to funds under subtitle A shall be considered to refer to amounts made available for assistance under this section; and

"(B) any references to funds allocated or reallocated under section 217 or 217(d) shall be considered to refer to amounts allocated or reallocated under subsection (d) or (e) of this section, respectively.

"(g) ADMINISTRATIVE COSTS.—Notwithstanding section 212(c), a participating jurisdiction may use funds under subtitle A for administrative and planning costs of the jurisdiction in carrying out this section, and the limitation in section 212(c) shall be based on the total amount of funds available under subtitle A and this section.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$200,000,000 for each of fiscal years 2004 and 2005."

(b) RELOCATION ASSISTANCE AND DOWNPAYMENT ASSISTANCE.—Subtitle F of title II of the Cranston-Gonzalez National Affordable Housing Act is amended by inserting after section 290 (42 U.S.C. 12840) the following new section:

#### "SEC. 291. RELOCATION ASSISTANCE AND DOWNPAYMENT ASSISTANCE.

"The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 shall not apply to downpayment assistance under this title."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. NEY) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. NEY).

GENERAL LEAVE

Mr. NEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1276 and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. NEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, today I rise in support of H.R. 1276, the American Dream Downpayment Act. There are many people that we need to thank for the point that we have gotten to today to have this tremendous piece of legislation here on the floor of the House. This was a commitment made by President Bush to do this piece of legislation, and Secretary Mel Martinez brought this to our committee when I became chairman of the Subcommittee on Housing and Community Opportunity.

I have to also directly thank the gentlewoman from California (Ms. WATERS), our ranking member of the subcommittee, for all of her work, her bipartisan spirit, and her concern for housing for all people from all walks of life, from the rural and urban areas across the United States. I want to thank the gentleman from Ohio (Mr. OXLEY) above all, who is chairman of the full committee, for his dedication to this important piece of housing legislation, and obviously also to the gentleman from Massachusetts (Mr. FRANK), the ranking member of the full committee. Also on our side of the aisle, and I am sure it will be recognized on the Democrat side of the aisle, but Bob Foster, Carter McDowell, and Peggy Peterson of the gentleman from Ohio's (Chairman OXLEY) staff, and also the staff of the Subcommittee on Housing and Community Opportunity: Clinton Jones, Cindy Chetti, Tallman Johnson, Bob Weisberg, and Hugh Halpern. Again, I want to thank all of these individuals for coming together to support the American Dream Downpayment Act.

This bill was introduced by the gentlewoman from Florida (Ms. HARRIS). This initiative is designed to assist thousands of low-income families realize the American dream of homeownership. Moreover, this new group of homeowners is expected to boost the American economy with an infusion of roughly \$256 million.

The benefits of homeownership for families, communities, and our country are obviously profound. When our citizens own homes, they establish roots and therefore have a greater stake in their community's growth, safety, and development.

While the national homeownership rate has steadily risen and is at an all-time high of 60 percent, there are sectors of our population, Mr. Speaker, for whom homeownership remains unattainable. In fact, the homeownership rate for African Americans and Hispanics is less than 50 percent. Clearly, this is unacceptable. More can and should be done to help all of our citizens realize the true benefits of owning a home.

If the persistent gap in minority homeownership is to be substantially

narrowed, the structural barriers to homeownership, particularly the lack of capital for downpayments and closing costs, must be addressed. I believe this is one of the major points to the bill. I can remember when my father was able, finally, after 20 years of saving for a downpayment, was able to acquire a house. I was about 10 years old. It was the greatest day of our lives. But I do not think people ought to have to wait 5, 10, 15 years to try to get the downpayment. They will struggle to make the mortgage payment, they will work two jobs to do it, families will; but that downpayment is a serious problem for many people. This legislation eliminates that barrier for families struggling to save for a downpayment, but otherwise would qualify for homeownership. Many low-income Americans, particularly in minority communities, can meet a monthly mortgage payment, but they cannot afford the downpayment and closing costs associated with a standard residential loan.

Improving the ability of Americans to make the transition to homeownership will be an important test of the Nation's capacity to create economic opportunity for minorities and immigrants and to build strong and stable communities. In most cases, the purchase of a home will be the largest and most significant investment an individual will make. Therefore, the home equity created by the home purchase represents a significant share of home household net worth for most American families.

This legislation will provide communities throughout America with \$200 million in grants for each year in fiscal year 2004 and fiscal year 2005. An estimated 40,000 low-income families each year will achieve first-time homeownership. Each qualifying family will be given an average of \$5,000 to be used toward downpayment and closing costs.

The American Dream Initiative will be administered as part of HUD's HOME investment partnerships program, known as HOME, an existing program that helps communities expand the supply of affordable housing for low and very low income families by providing grants to States and local governments.

Mr. Speaker, H.R. 1276 included language that would allow HUD to place a maximum cap on the amount of funds certain urban areas could receive under the American Dream program. During this consideration of this legislation in the full committee markup, the gentleman from New York (Mr. CROWLEY) expressed concern that this language would limit the amount of funds areas would be able to receive.

I would want to note, Mr. Speaker, we have removed the word "maximum" on page 5 of the bill as reported out of the committee. The removal of the word "maximum" makes the proposed formula in H.R. 1276 consistent with the pattern and practices of other pro-

grams under HUD such as HOME and CDBG, and assures that no arbitrary limit is placed on the amount of funds any particular area may receive.

I again want to thank everybody involved with this bill and Secretary Martinez for his personal involvement. I also want to commend the gentleman from Alabama (Mr. ROGERS) and the gentleman from Alabama (Mr. DAVIS) for their leadership on this important piece of legislation. Without their diligent support, this legislation would not have been possible.

In closing, Mr. Speaker, I want to note that when the gentlewoman from Florida (Ms. HARRIS) came to us at the beginning of the session, she said she wanted to be on the Subcommittee on Housing to make a difference for all Americans from all walks of life. I want to note to my colleagues today that she surely has made that difference. Through the leadership of the gentlewoman from Florida (Ms. HARRIS), a lot of people across this Nation are going to have, for the first time in their lives, the opportunity to have a home in a family setting.

Mr. Speaker, I urge my colleagues to support this initiative.

Mr. Speaker, I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to support H.R. 1276, the American Dream Downpayment Act, a bill to assist low-income families in achieving homeownership by providing downpayment assistance under the HOME Investments Partnership Act.

I would like to thank the chairman of our Subcommittee on Housing, the gentleman from Ohio (Mr. NEY), for his leadership. I would like to thank him for his evenhandedness in the management of the committee that helps to bring us all together in support of legislation that makes good sense for all of the Members of this Congress.

I would like to congratulate the gentlewoman from Florida (Ms. HARRIS) and tell her how fortunate she is as a new Member to have the support of her administration in seeing to it that she is able to have a bill that will truly do something for American families that we would all like to do. Normally, this bill would be thought of as a liberal bill. This is the kind of bill that the Democrats would normally roll out, if we were in power, because it is talking about spending money, it is talking about spending money for poor people who want to have homeownership, but cannot afford that downpayment.

□ 1045

Downpayments are very tough. Many people who pay their bills regularly, who have never missed paying their utility bills, they pay their rent on time, they work every day, just cannot manage to come up with that 10 percent or 15 percent or whatever is being required in those markets for downpayments. And so that is why this bill is so important.

It would create a new subtitle within the Home Investment Partnerships Act to authorize grant by formula to States and localities for the exclusive purpose of providing downpayment assistance to low-income first-time home buyers; families, that is, with 80 percent or lower of local median income, the formula to be established by HUD, based on a grantee's need for and prior commitment to assistance to home buyers.

The bill authorizes \$200 million in funding in each of the next 2 fiscal years. The administration projects that \$200 million in funding would assist 40,000 low-income home buyers. The downpayment assistance authorized under this will be administered by the Home Investment Partnership Program that is referred to as HOME. HOME is an existing grant program that helps communities nationwide expand the supply of housing for low- and very low-income families.

The House appropriated \$125 million for this program in funding year 2004 VA-HUD appropriations bill approved by the House earlier this summer. This is an increase from the \$75 million appropriated in the funding year 2003 VA-HUD budget for the program contained in the omnibus appropriations bill for funding year 2003 passed in February of this year.

Unfortunately, HUD is still writing regulations for this downpayment assistance program and has not yet released the funding year 2003 funding.

According to HUD study, entitled Barriers to Minority Home Ownership, the overall home ownership rate is 68 percent, while home ownership rates for African Americans and Latinos are 48 and 46 percent, respectively. The HUD report established that one of the most persistent barriers to minority home ownership is the lack of capital for downpayment and closing costs.

Without going into a lot more detail, Mr. Speaker, I simply want to say that this is a bill that will get support from both sides of the aisle. Democrats have been advocating for a long time for these kinds of expenditures to deal with the housing crisis in America, and so I expect that we will have unanimous support for this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. NEY. Mr. Speaker, I yield 5 minutes to the gentlewoman from Florida (Ms. HARRIS), the author of the bill.

Ms. HARRIS. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise to urge my colleagues to support H.R. 1276, the American Dream Downpayment Act.

As our Nation continues to confront daunting threats both at home and abroad, we cannot neglect the most basic security of all, and that is a safe, clean, adequate place to live. Across our Nation, families and individuals are consigned to deplorable conditions in substandard housing. In a Nation that enjoys a level of wealth and material comfort that is unprecedented in

human history, this state of affairs is unconscionable.

We have the power to address this obligation of a decent, compassionate society today. Better yet, we can attack the housing crisis besetting our Nation by attacking the poverty that underlies it.

H.R. 1276 constitutes the first step in fulfillment of President Bush's plan to create 5.5 million new minority home owners by the end of the decade. This visionary initiative will add \$256 billion to the American economy.

As I have consulted with housing advocates throughout my district, I have repeatedly heard that a great number of low-income Americans could meet their monthly mortgage payment, but they cannot surmount that initial obstacle of a downpayment and closing costs. Thus, a steep entry fee is all that stands between many low-income Americans and the dignity, the stability, and the economic empowerment of home ownership.

The resulting home ownership gap, which disproportionately impacts African Americans and Hispanic Americans, has staggering economic and social consequences. Studies show that the average worth of a low-income person, about \$900, skyrockets to \$70,000 when they own a home. In 1998, owner-occupied property constituted 21 percent of all household wealth as well as more than 71 percent of all tangible wealth.

Moreover, the home ownership gap dramatically impacts the lives of our children. Statistics show that children of families who own their own home experience a 13 percent higher graduation together with a 7 percent accelerated rate in math achievement and reading recognition. Additionally, such children complete almost one half year more of education.

For the young people who live in homes their families own, they enjoy a greater level of self-esteem while receiving an indispensable educational exercise in the proper maintenance of personal property.

Mr. Speaker, H.R. 1276 empowers tens of thousands of low-income Americans to overcome this striking inequality in our land of opportunity. As a compassionate society, we have a moral obligation to empower individuals and families and communities with the tools to build their own prosperity. By authorizing a total of \$400 million in grants to communities throughout America over fiscal years 2004 and 2005, this bill will enable 80,000 low-income Americans to purchase their first home.

As we proceed to a vote on this revolutionary bill, I would like to recognize the Bush administration and the gentleman from Alabama (Mr. ROGERS) for their continued commitment to extending quality, affordable housing to every American, as well as for their tremendous creativity in developing solutions that can help us achieve this goal.

Further, I wish to express my gratitude to the gentleman from Ohio (Mr. OXLEY) and the ranking member, the gentleman from Massachusetts (Mr. FRANK) of the Committee on Financial Services, as well as my deepest appreciation to the gentleman from Ohio (Mr. NEY) who has assisted me daily with this bill, and the ranking member, the gentlewoman from California (Ms. WATERS) of the Subcommittee on Housing and Community Opportunity for their outstanding leadership in shepherding H.R. 1276 through the legislative process.

Finally, I wish to acknowledge the support of the gentleman from California (Mr. GARY G. MILLER), as well as my dear friend, the gentleman from Arizona (Mr. RENZI) and the gentleman from Alabama (Mr. DAVIS) for his extraordinary bipartisanship. Their passionate dedication to fulfilling this moral imperative of quality affordable housing for every American continues to inspire us all.

I would like to thank our extraordinary committee staff for their diligence and expertise, as well as my outstanding staff member, Miguel Romano, for his diligent work on this bill.

Today, let us reaffirm the expansiveness of the American dream by passing this vital legislation.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama (Mr. DAVIS).

Mr. DAVIS of Alabama. Mr. Speaker, let me compliment my colleague, the gentlewoman from Florida (Ms. HARRIS) as the primary sponsor of this bill and let me compliment the chairman of the subcommittee, the gentleman from Ohio (Chairman NEY) for his leadership on this issue. Let me extend compliments as well to the ranking member of the subcommittee, who is present here today, the gentlewoman from California (Ms. WATERS) and the gentlewoman from California (Ms. LEE), who is not here.

We do a lot of things in this institution, Mr. Speaker. We argue about a lot of issues, but every now and then we manage to find something we agree on. Every now and then we manage to find something that has enormous bipartisan appeal. And that is how we have arrived at H.R. 1276. Whether it is in the district of the gentlewoman from California (Ms. WATERS) or my district or the district of the gentlewoman from Florida (Ms. HARRIS), wherever you go in this country, the American dream is very much expressed in terms of whether or not people have a chance to own a home.

As the gentleman from Ohio (Chairman NEY) said earlier, for the overwhelming majority of people in this country of ours, the only tool of wealth they will ever have, the only significant assets they will ever have is a home. We can talk about all the indices of community engagement, from whether you vote to whether or not you mow your lawn, to whether or not you participate in your neighborhood

association. The greatest correlator of community engagement is home ownership.

We look at our economy in the last 2 years, and all of us on both sides of the aisle would agree, if you take out the housing boom, if you somehow remove that from our economy, we would be deep in the throes of a 2½-year recession now.

This is very important work, and it is a compliment to the leadership on both sides of the aisle that this bill has made its way to the floor. And it is a compliment to the gentlewoman from Florida (Ms. HARRIS) and the gentlewoman from California (Ms. WATERS) that we have arrived at a consensus here today.

I want to make a few basic points. We have a lot of unfinished work on the housing front. No one on our side of the aisle would suggest that this is all that needs to be done. No one on our side on the aisle would suggest that the \$200 million is the only commitment of resources that we ought to make. But rest assured that this \$200 million commitment will result in over 40,000 low-income families receiving help in buying homes.

I can say briefly in conclusion, Mr. Speaker, as I travel around my district, we regularly do home ownership events, we regularly do housing events; and I always enjoy seeing the spark that I see in people's faces when they have a chance to finally become home owners. I enjoy seeing the spark when they know they are going to finally realize their piece of the American dream.

We have made this bill better. It was a good bill. We have made it a better bill. We have made the formula for calculating downpayment assistance a fair and better formula. We will address the unfinished aspects of this bill related to credit counseling. We will move forward on those fronts.

I encourage my colleagues, as I know they will today, to vote overwhelmingly for the American Dream Downpayment Act. I am proud to be one of the original sponsors of this bill, and I again compliment my friend from Florida for her leadership on this issue.

Mr. NEY. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. RENZI), a tremendous new member, but a member that has immediately gotten to work on our Subcommittee on Housing and Community Opportunity to help the people not only of his district, but of the Nation.

Mr. RENZI. Mr. Speaker, I would like to commend the gentlewoman from Florida (Ms. HARRIS), my friend, on her substantive and important bipartisan legislation.

H.R. 1276 will help tens of thousands of low-income Americans achieve the dream of owning their first home. We know equity in a home is the primary asset used by most American families to help their kids get to college. In addition, many small business owners use the equity in their home to borrow and

start their first small businesses here in America, to help our growing economy and to support their growing families.

This legislation provides \$200 million in grants to over 40,000 low-income families over the next 2 years. This money will assist low-income families with downpayments and closing costs.

Today, more than two-thirds of Americans own their home, but fewer than half of African American and Hispanic families are home owners and less than one-third are Native Americans. This legislation is a real help to all families. Studies have shown that math achievement and reading recognition levels are 7 percent higher for children with families who own their own home, and they complete almost a half-year more education if they have home ownership. High school graduation rates for children with families who own their own home are 13 percent higher than renting families.

Let us remove the obstacles and give deserving families a real chance. Rally around the leadership shown by the gentlewoman from Florida (Ms. HARRIS) and let us work together to pass this needed legislation.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. BACA).

(Mr. BACA asked and was given permission to revise and extend his remarks.)

Mr. BACA. Mr. Speaker, I rise in support of the American Dream Downpayment Act, H.R. 1276, sponsored by the gentlewoman from Florida (Ms. HARRIS) and of course my good friend, the gentleman from Ohio (Mr. NEY) who happens to be a Member from that area as well. His mother lives in Fontana. And of course our minority leader as well, who has been very instrumental, and that is the gentlewoman from California (Ms. WATERS), in fighting to ensure that many of the poor and disadvantaged have opportunities in many different areas. This is an area that she is fighting for to make sure that individuals have an opportunity to own a home for the very first time.

Right now, Hispanics and minorities are struggling to purchase homes at a far greater rate than the rest of the Nation. In my own district, the Hispanic ownership rate is only 59 percent. That is nearly 10 percent less than the national average, and it is 15 percent less than the national non-Hispanic white average.

In my own district, which is 58 percent Hispanic, it has become increasingly difficult for Hispanics to own businesses because there is a housing boom that is causing the prices to skyrocket. In our area, we have the majority of growth which continues to move from L.A. to Orange County into our area, but it has become difficult for them to become first-time home buyers.

The median housing price in San Bernardino County went from \$116,000 in the year 2002 to \$207,000 in August. That is a 29 percent increase.

□ 1100

Hispanics and minorities all over the Nation are struggling to keep up. Not only do Hispanics earn less in wages than the rest of the population, but Hispanic unemployment is rising as well. Right now, Hispanic unemployment is nearly 7.8.

At the same time, we have an administration that is pushing for programs to turn Section 8 low income-housing vouchers into State blocks. In California, and States with huge budget deficits, it will hurt the low-income minority population because they will not be able to rent, let alone buy a home.

But the American Dream Downpayment Act will help Hispanics and many other minorities become homeowners. It will help low-income and first-time home buyers make downpayments on their first home. We must make sure we give them that opportunity.

I know what it was like because I come from a large family of 15, and let me tell my colleagues for the very first time that my dad was able to purchase a home, while it was very difficult, we fell under that category, but it was important for me and for my family to have stability. We had a foundation for the very first time. We were able to own a home that we never owned before because we were moving from one place or project to another project, living in the ghettos and the projects, moving from one place to another, but instability had allowed it.

This act will allow individuals to have that stability we need to say, I am going to one school, I do not have to go to four, five or six different schools as I went. It will also help increase the education amongst the kids where they have the stability in terms of going to one school, having their friends that are there and being able to take pride in their home. I know what it was like, and I took pride in my home when we had it.

Let me tell my colleagues, Mr. Speaker, I urge support of this bill. It is a good bill, and I compliment our minority leaders and the gentlewoman from Florida (Ms. HARRIS) in carrying this legislation.

Mr. NEY. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. GARY G. MILLER), another great member of our Subcommittee on Housing and Community Opportunity, who has been extremely active in concerns and issues of housing.

Mr. GARY G. MILLER of California. Mr. Speaker, I really want to commend the gentlewoman from Florida (Ms. HARRIS) for doing this. This is a really, really, really good bill. I had been a builder for over 30 years in my real life before coming to government. The gentleman from Ohio (Chairman OXLEY) really has a passion for this issue. The gentleman from Massachusetts (ranking member FRANK), a good friend of mine, has really done everything he can to look for opportunities to really help people get into homes, and the

gentleman from Ohio (Mr. NEY), who chairs the Subcommittee on Housing and Community Opportunity, just has a supervision and really looks for things that are good.

Some would say, why are we doing this? I am a conservative Republican, and one would say, well, why is the government getting involved in this issue. Some real good reasons. The average homeowner has assets totalling about \$70,000. Yet the average low-income renter's assets are below \$1,000. Most of these people that are going to benefit from this program are already on Section 8 housing vouchers or they are in some type of government housing. So how do we create an environment where people rely on themselves and count less on government? That is to get them in a home.

If we leave people in Section 8 housing, they are going to be there. They cannot get out. They do not have the downpayment, the necessary wealth to be able to move into society, as we would say it, and have the experience of the dream of owning a home. There is nothing like selling a home to somebody, watching a person and a family move into home, they have dreams, they have anticipations, they make plans for the future.

This is a good bill. Imagine if we get a family into a home that is now receiving government subsistence, at a point in time they no longer need help from the government because they have acquired wealth in their own home. When they buy that home, their rent remains consistent. When they take and rent a home, whether it is through Section 8 or a government home, the rent increases as the years goes by. So look at a situation where a family moves into a home, 10 years from now, they are going to pay a lot more than they currently pay if they are renting a home, but if they own that home, they are paying the same 10 years from now as they are today.

Our goal in government should be to do everything we can to create the best economic environment we can for the citizens. The best way to do it is to get people into their own home. There is nothing, nothing like moving people into something that they consider their own, rather than something they consider somebody else's they are allowed to rent.

We have a situation growing in this country that I consider the new homeless, and these are people who have good jobs, the husband and wife both work, the husband might be a policeman or a fireman, the wife might be a nurse or whatever or a schoolteacher, and yet they cannot afford to live within the community within which they work. How many people do my colleagues know whose children were raised in a community they cannot afford to buy a home and live within the city in which they spent their life growing up because it has become so expensive? In many cases, government has created so many roadblocks, they

have increased the cost of housing, that we need to look at every opportunity we have to eliminate the roadblocks, to decrease the restrictions and to do everything we can to move people into homeownership.

There is a huge shortage of Section 8 housing and government housing for low-income people. People are on waiting lists, and the reason is the people who currently live in those homes cannot afford to move up to the next level. They are relegated to that, and we have to change that.

This is a great opportunity. It is a bipartisan bill, and I would strongly encourage a yes vote.

Ms. WATERS. Mr. Speaker, how much time do I have left on this side?

The SPEAKER pro tempore (Mr. SHAW). The gentlewoman from California (Ms. WATERS) has 10 minutes remaining, and the gentleman from Ohio (Mr. NEY) has 6 minutes remaining.

Ms. WATERS. Mr. Speaker, I yield myself as much time as I may consume to close out the bill.

Mr. Speaker, this bill is motherhood and apple pie. This is what public policy should be about, recognizing a need and moving to place in law some law that will indeed help those who really do need assistance to realize the American dream. This did not start today, did not start yesterday.

We have a lot of legislators who have worked on this. Congresswoman Roukema is not here anymore. She worked on this, and I think we had it in the 2003 Omnibus bill. We did not get that at that time, but it has been revisited in this way by the gentlewoman from Florida (Ms. HARRIS), and again, there will be no opposition. Truly, this is motherhood and apple pie. Homeownership, there are so many people who are desirous of owning their homes, who work every day but cannot afford that downpayment.

I am pleased that we spent time in committee thanks to the gentleman from Ohio (Mr. NEY), and Democrats were able to improve this bill during the committee markup by offering several amendments that were adopted, I would like to thank the gentlewoman from New York (Ms. VELÁZQUEZ), the gentleman from Massachusetts (Mr. CAPUANO) and the gentleman from New York (Mr. CROWLEY), and even an amendment that I offered to require targeted outreach programs. My amendment requires participating jurisdictions to conduct outreach to people living in public housing, Section 8 housing and manufactured housing as part of their plan to access these dollars. That means we are taking care of inner city, we are taking care of suburbia and we are taking care of the rural areas. It is not just about public housing. It is about manufactured housing, also, and so we worked to make sure that the outreach that is done is comprehensive. This outreach will ensure more residents will have an opportunity to share in the American dream and break their dependence on public housing assistance.

I am also pleased that the committee report on this bill includes report language clarifying that funds appropriated for this program should be new money and not be offset by a reduction in HOME block grants. Sometimes we come up with bills and we talk about the costs, but yet we do not appropriate new money. We reduce the money in some other pot, and we have language in this bill that will prevent that from happening.

Mr. Speaker, owning a home also can provide a sense of security and contribute to safer, stronger neighborhoods. A financial and personal stake in a residence helps the residents to create a better neighborhood where families, children and all the elderly can thrive and enjoy a better quality of life.

I am pleased to be a part of this committee. I am pleased to work with my colleagues on both sides of the aisle.

Mr. Speaker, I yield back the balance of my time.

Mr. NEY. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. ROGERS) who actually carried this bill, introduced it last session, and we appreciate his support.

Mr. ROGERS of Michigan. Mr. Speaker, I thank my friend the gentleman from Ohio (Mr. NEY) and I thank the gentlewoman from California (Ms. WATERS) for all that she has done to get this bill on the floor and her leadership, and I thank the gentlewoman from Florida (Ms. HARRIS) very much for taking charge of this bill this session and getting it to where it was.

It was a little bit over a year ago that I stood in Detroit, Michigan, celebrating the 100th Habitat home going up with Secretary Martinez, and it was a great day for us. It was kind of a little bit chilly, a little bit rainy, but the excitement, the joy, even the tears about having that key go in that door and turning that knob was exhilarating and exhilarated a whole community as we stood under that tent together opening the door of that new home for that family. In that same crowd, there were dozens of folks who were there who had a little bit of hope to experience that very same exhilaration by sticking that key in that door and calling it theirs, calling it their home. We all know that there is a difference between a place to live and a home.

That day, that particular house, built by volunteers and the family that was going in, became a home in a community that needed all the help it could get. It had a very low homeownership rate, and what we found is that as we increased these number of homes, truancy went down, crime rates went down, investment in the community, the school overall performance went up, and that is what this bill is about, and we should not forget it.

It is about minority ownership coming up to where it needs to be, but it is about the very gift to the very family who is playing by the rules, getting up

every day, doing the right thing, paying all their bills, putting shoes on their children's feet, making their rent payments, making their utility payments, and this is the one hurdle, the very one hurdle that stops them, that puts them in the back of the tent watching somebody else put that key in the door.

For all of my colleagues that helped do this, I thank them very, very much. This will be a profound impact on thousands and thousands of American families. This is an investment in our future. I want to thank all of my colleagues for their commitment to this. I thank the gentleman from Ohio (Mr. NEY). I thank the gentlewoman from Florida (Ms. HARRIS) for her leadership and Secretary Martinez for championing this cause.

Mr. NEY. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. WILSON). He and his staff have been very energetic in support of this bill.

Mr. WILSON of South Carolina. Mr. Speaker, I rise in support of H.R. 1276, the American Dream Downpayment Act, and I want to commend the gentleman from Ohio (Mr. NEY) for his leadership. I want to commend the gentlewoman from Florida (Ms. HARRIS) for her wonderful leadership on this issue, and then my colleague the gentleman from Michigan (Mr. ROGERS) who has from the beginning been such an important part as he understood and eloquently explained the bill just now.

More than two-thirds of all Americans own their own home. However, fewer than half of all African American and Hispanic families are homeowners. For these families, one of the biggest barriers to homeownership is the inability to afford the downpayment and closing costs associated with purchasing a home. This legislation seeks to help close this homeownership gap by making \$200 million in grants available to more than 40,000 first-time, low-income families to help them achieve the American dream of homeownership.

This is especially important to the 2nd Congressional District of South Carolina where many families would greatly benefit from this legislation. Too often, the dream of raising your family in your own home seems far out of reach. As a former real estate attorney, I know firsthand the joy of working with first-time home purchasers, especially because I worked pro bono with the meaningful Habitat for Humanity program, along with the Home Builders Association and the Realtors Association.

Further, the American Dream Downpayment initiative will help low- and moderate-income families build wealth. Consider that the average homeowner's assets total \$70,000, while the average low-income renter's assets are below \$1,000. Equity in a home, the primary asset held by most American families, is the best mechanism that

families have for wealth creation. We can use our homes to send our children to college, to start small businesses and to build better lives.

In short, homeownership makes family stakeholders in their communities. H.R. 1276 will increase the rights of stakeholders and bring stability and a new revitalization to our communities. I urge all my colleagues to support H.R. 1276.

In conclusion, God bless our troops.

Mr. NEY. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Ms. VELÁZQUEZ).

(Ms. VELÁZQUEZ asked and was given permission to revise and extend her remarks, and include extraneous material.)

Ms. VELÁZQUEZ. Mr. Speaker, I would like to enter into a colloquy with the gentleman from Ohio (Mr. NEY).

It is my understanding that, during committee consideration, an agreement was made between the chairman and myself to incorporate the provision dealing with financial literacy into the report on H.R. 1276. I would like this language to be included into the RECORD.

Mr. NEY. Mr. Speaker, will the gentlewoman yield?

Ms. VELÁZQUEZ. I yield to the gentleman from Ohio.

Mr. NEY. Mr. Speaker, I just wanted to respond, it is my understanding and I accept the language as was just stated.

Ms. VELÁZQUEZ. Mr. Speaker, that is my colleague's understanding, and I thank the gentleman for that. I will insert that language at this point in the RECORD.

The full Committee also adopted two amendments during consideration. The first would require States and localities to ensure that families receiving the housing assistance are financially prepared to maintain ownership of their homes after the purchase by requiring recipients to complete a course of homeownership counseling. Alternatively, if this is not feasible, grantees could provide information in advance to grant recipients describing the risks and responsibilities of homeownership, providing assistance in understanding the mortgage loan process and financing options, and making recipients aware of any homeownership counseling that is available locally.

Mr. NEY. Mr. Speaker, I yield myself such time as I may consume.

In closing, let me just, once again, thank our chairman, the gentleman from Ohio (Mr. OXLEY) for his diligence and perseverance in the way he has handled the committee, to produce many good products over this session, and when it comes to housing, he has given us the backing we needed; the gentleman from Massachusetts (Mr. FRANK), the ranking member, the gentlewoman from California (Ms. WATERS), our ranking member of the subcommittee, who has helped so much on this bill and also to everybody again that made this bill possible.

I just want to conclude by saying it is a dream for many Americans to have their homes, from all walks of life.

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We are taking a step today on the floor of this House to do that. This is a bill that every Member of this House can be proud of. It is a bill that they can support, and it is a bill that is going to do something for generations to come as people establish their home, as people are able to take care of their families and be part of their communities in a very, very productive way.

Again, Mr. Speaker, in closing and in urging support, I want to thank the gentlewoman from Florida (Ms. HARRIS), who had the desire, the tenacity and definitely put in all the time needed to make sure that this bill became a reality today. Without her, we would not be here today producing this bill, which, again, will help future generations. So I urge support of the bill.

Mr. PAUL. Mr. Speaker, the American dream, as conceived by the Nation's Founders, has little in common with H.R. 1276, the so-called American Dream Downpayment Act. In the original version of the American dream, individuals earned the money to purchase a house through their own efforts, often times sacrificing other goods to save for their first downpayment. According to the sponsors of H.R. 1276, that old American dream has been replaced by a new dream of having the Federal Government force your fellow citizens to hand you the money for a downpayment.

H.R. 1276 not only warps the true meaning of the American dream, but also exceeds Congress' constitutional boundaries and interferes with and distorts the operation of the free market. Instead of expanding unconstitutional federal power, Congress should focus its energies on dismantling the federal housing bureaucracy so the American people can control housing resources and use the free market to meet their demands for affordable housing.

As the great economist Ludwig Von Mises pointed out, questions of the proper allocation of resources for housing and other goods should be determined by consumer preference in the free market. Resources removed from the market and distributed according to the preferences of government politician and bureaucrats are not devoted to their highest-valued use. Thus, government interference in the economy results in a loss of economic efficiency and, more importantly, a lower standard of living for all citizens.

H.R. 1276 takes resources away from private citizens, through confiscatory taxation, and uses them for the politically favored cause of expanding home ownership. Government subsidization of housing leads to an excessive allocation of resources to the housing market. Thus, thanks to government policy, resources that would have been devoted to education, transportation, or some other good desired by consumers, will instead be devoted to housing. Proponents of this bill ignore the socially beneficial uses the monies devoted to housing might have been put to had those resources been left in the hands of private citizens.

Finally, while I know this argument is unlikely to have much effect on my colleagues, I must point out that Congress has no constitutional authority to take money from one American and redistribute it to another. Legislation such as H.R. 1276, which takes tax money from some Americans to give to others whom Congress has determined are worthy, is thus blatantly unconstitutional.

I hope no one confuses my opposition to this bill as opposition to any congressional actions to ensure more Americans have access to affordable housing. After all, one reason many Americans lack affordable housing is because taxes and regulations have made it impossible for builders to provide housing at a price that could be afforded by many lower-income Americans. Therefore, Congress should cut taxes and regulations. A good start would be generous housing tax credits. Congress should also consider tax credits and regulatory relief for developers who provide housing for those with low incomes. For example, I am cosponsoring H.R. 839, the Renewing the Dream Tax Credit Act, which provides a tax credit to developers who construct or rehabilitate low-income housing.

H.R. 1276 distorts the economy and violates constitutional prohibitions on income redistribution. A better way of guaranteeing an efficient housing market where everyone could meet their own needs for housing would be for Congress to repeal taxes and programs that burden the housing industry and allow housing needs to be met by the free market. Therefore, I urge my colleagues to reject this bill and instead develop housing policies consistent with constitutional principles, the laws of economics, and respect for individual rights.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his support for H.R. 1276, the American Dream Downpayment Act. This bill, of which this Member is an original cosponsor, authorizes \$200 million in grants to be made available as part of the HOME program to first-time low-income families for downpayment assistance. This important legislation is strongly supported by the Administration and is a priority of the distinguished Secretary of the Department of Housing and Urban Development (HUD) (Mr. Martinez).

First, this Member would like to thank the distinguished gentlelady from Florida (Ms. HARRIS) for introducing this legislation. Furthermore, this Member would also like to thank both the distinguished gentleman from Ohio (Mr. OXLEY), the Chairman of the House Financial Services Committee, and the distinguished gentleman from Massachusetts (Mr. FRANK), the Ranking Member of this Committee, for their support in bringing this measure to the House Floor.

One of the main obstacles for families who want to purchase a home is that they do not have the resources for a sufficient mortgage downpayment. As a response to this pressing need, this legislation would provide downpayment assistance grants to more than 40,000 first-time low income families.

The American Dream Downpayment Act would be administered as part of HUD's successful HOME program which currently provides grants to states and entitlement communities (over 50,000 in population) to use for affordable housing. This bill authorizes \$200 million in new authorized funds to be used for downpayment assistance by states and entitlement communities. Furthermore, this bill would preserve the flexibility of the HOME program by allowing these states and localities to craft a package of downpayment assistance which meets their specific needs.

Mr. Speaker, in closing, as a Member of the House Financial Services Subcommittee on Housing and Community Opportunity, this Member strongly supports H.R. 1276, the American Dream Downpayment Act. This

Member encourages his colleagues to support H.R. 1276.

Mr. OXLEY. Mr. Speaker, today, the House is considering H.R. 1276, the American Dream Downpayment Act. This important legislation, introduced by Reps. KATHERINE HARRIS and MIKE ROGERS, will help tens of thousands of low-income families to achieve the American dream of homeownership.

The nation's overall homeownership rate is at an all time high of 68 percent. However, the homeownership rate for African-Americans, Hispanic and other non-Hispanic minorities is approximately 49 percent. We can and must do better than this; H.R. 1276 will go a long way in helping to close this homeownership gap.

For many families, the biggest barrier to homeownership is their inability to afford the downpayment and closing costs. While they can afford the monthly mortgage payments, they are unable to save the funds necessary for the downpayment and closing costs needed to purchase their first home. H.R. 1276 addresses this barrier by providing communities across America with \$200 million in grants, which is anticipated to help more than 40,000 first-time low-income families to purchase their first homes.

H.R. 1276 will be administered as part of HUD's HOME Investment Partnership Program, an existing program that helps communities increase the availability of affordable housing for families most in need through grants to state and local governments. The American Dream Downpayment Act preserves the flexibility of the HOME program, so that states can tailor assistance to best meet the needs of local citizens.

H.R. 1276 has received the endorsement of: HUD Secretary Mel Martinez; America's Community Bankers; Consumers Bankers Association; Fannie Mae; Freddie Mac; Housing Assistance Council; Manufactured Housing Institute; Mortgage Bankers Association of America; National Association of Home Builders; National Association of Housing and Redevelopment Officials; National Association of Mortgage Brokers; and National Association of Realtors.

When families own their own home, they become stakeholders in their communities. H.R. 1276 will increase the ranks of stakeholders and bring stability and a new spirit of revitalization to our communities. By helping families purchase their own homes, we can give them the wealth-building opportunity that homeownership provides. Hard-working, low-income families across the country will finally have an opportunity to profit from both the community and economic benefits that come from owning your own home.

In addition to the many benefits for low-income families, homeownership helps to fuel the economy. People who own their homes spend money for home improvements. In fact, the housing industry itself has been one of the few bright spots in the national economy over the last three years.

Passage of the American Dream Downpayment Act represents an important step in closing the minority homeownership gap. I want to again commend Representatives KATHERINE HARRIS, MIKE ROGERS, Chairman NEY and Ranking Minority MAXINE WATERS for their hard work on this important measure and urge my colleagues to support it.

Mr. CASTLE. Mr. Speaker, I rise today to support the "American Dream Downpayment

Act." I thank Congresswoman KATHERINE HARRIS, Congressman ARTUR DAVIS, Congressman MIKE ROGERS and all the members of the Financial Services Committee for their hard work on this important bill.

This legislation, which I am proud to have cosponsored, will help low and moderate income families purchase their first home. As Delaware's governor, I established a Housing Development Trust Fund that helped more than 5,400 low- to moderate-income families become homeowners. I am pleased to support this program which seeks to help more than 40,000 first-time, low-income families achieve their dream of homeownership.

We can be proud of the historic levels of homeownership we have reached in this country, we must also recognize that the number of people who pay more than half of their income in housing is also rising. We need to make our existing government housing programs more efficient and expand them through responsible programs that will help our constituents realize their dreams of homeownership. Equity in a home is the primary asset held by most American families and the best mechanism that families have for wealth creation.

I have maintained a longstanding commitment to affordable housing and expanding homeownership, this legislation is a positive step in furthering that goal. Thomas Jefferson once said the happiest moments of his life were those which he had passed at home in the embrace of his family. Mr. Speaker, I am pleased we are working to bring that sentiment to all Americans and I rise in support of this legislation.

Mr. NEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHAW). The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and pass the bill, H.R. 1276, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM REAUTHORIZATION ACT OF 2003

Mr. SMITH of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2608) to reauthorize the National Earthquake Hazards Reduction Program, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2608

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

*This Act may be cited as the "National Earthquake Hazards Reduction Program Reauthorization Act of 2003".*

#### SEC. 2. DEFINITIONS.

*Section 4 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.) is amended by adding at the end the following new paragraphs:*

*"(8) The term 'Interagency Coordinating Committee' means the Interagency Coordinating*